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FPM LET. 300-5

UNITED STATES CIVIL SERVICE COMMISSION

FEDERAL PERSONNEL MANUAL SYSTEM

LETTER

Washington, D.C. 20415
November 17, 1964

FPM LETTER NO. 300-5

SUBJECT: Employment of Retired Officers of the Uniformed Services

Heads of Departments and Independent Establishments:

The new Dual Compensation Act will have important effects upon the civilian employment of retired members of the uniformed service, starting December 1, 1964. The provisions of the act were outlined in Bulletin 550-9, dated September 10, 1964. The purpose of this letter is to discuss the provisions of section 201 of the act, which relate to the reduction in retired pay of certain retired officers employed in civilian positions, and to specify a reporting procedure that will aid in the administration of this section.

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Briefly, section 201 provides that a retired regular commissioned or warrant officer of the uniformed services who is hired in a civilian position will receive the full salary of that position, but will have his retired pay reduced to an annual rate of $2,000 plus one-half of any remainder. A total exemption from this reduction in retired pay is provided for regular officers retired for "combat" disability; a "first-thirty-day" exemption is provided for retired regular officers employed on a temporary, part-time, or intermittent basis. Retired reserve officers and retired enlisted men are not subject to any reduction in retired pay under the act, whatever the basis for their retirement.

For the purposes of the Dual Compensation Act, "uniformed services" means the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service. "Civilian office" (or position) means a civilian office or position (including a temporary, part-time, or intermittent position), appointive or elective,

INQUIRIES: Merit Systems Section, Code 183, Ext. 7483

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in the legislative, executive, or judicial branch of the Government of the United States (including each corporation owned or controlled by the Government and including nonappropriated fund instrumentalities under the jurisdiction of the Armed Forces) or in the municipal Government of the District of Columbia.

Subsection 201(e) of the act authorizes the President of the Senate with respect to the Senate, the Speaker of the House with respect to the House of Representatives, the Architect of the Capitol with respect to his Office, and the Civil Service Commission (subject to the supervision and control of the President) with respect to all other civilian offices, as defined above, to provide exceptions to the reduction-in-retired-pay provisions of the act whenever warranted on the basis of special or emergency employment needs which otherwise cannot be readily met.

Effective administration of the reduction-in-retired-pay provisions requires that the several finance centers of the uniformed services know when retired officers are hired in civilian positions. To this end, the following reporting requirements are established. They are applicable whenever a retired officer of the uniformed services is employed in any civilian position covered by the Dual Compensation Act.

Reporting to Finance Centers

What To Report

Beginning December 1, 1964, agencies will report promptly to the appropriate finance center each accession of a retired officer of the uniformed services to a civilian position. An accession, for this purpose, means any addition to the agency's rolls, whatever the personnel action involved.

An agency should be able to tell whether an appointee is a retired officer from his Application for Federal Employment (SF-57 or 60) and from his Appointment Affidavits (SF-61). If an appointee does not complete any of these forms, the agency will seek to determine his retired status through other appropriate means; for example, from interviews with the appointee, investigative forms, background resumes, etc.

Agencies will not report the employment of retired enlisted men, but they must report the employment of all retired officers, whether or not the officers are subject to the reduction-in-retired-pay provisions (that is, whether they are regular or reserve officers and whatever the basis for their retirement.) If there is any doubt about an appointee's status as a retired enlisted man or officer, the agency will report the appointment to the appropriate finance center with the assumption that he is a retired officer. The finance center will determine his retired status and will make all necessary determinations on the effect of the act to his situation.

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With regard to employees on the rolls on November 30, 1964, agencies are not required to initiate any reports to the finance centers. However, this does not preclude agencies from entering into arrangements with finance centers for reporting information on employees subject to compensation limitations, or from continuing existing arrangements of this sort.

How To Report

A copy of the Standard Form 50 (Notification of Personnel Action) must be sent by the employing agency to the appropriate finance center whenever the agency employs a retired officer. Agencies which do not use the Standard Form 50 (or a modification of it) will send the finance centers a copy of an equivalent form used to record accessions.

A list of the seven finance centers and their coverage is attached to this letter.

Because employment of retired officers will constitute a very small fraction of the total employment, the Standard Form 50 will not be revised to add a special copy for submission to the finance centers. Instead, when a copy of the Standard Form 50 must be sent to a finance center, the agency will make an extra --- and legible --- carbon copy for the finance center. As an alternative, the agency may send the finance center a photostat, xerox, or other permanent-type copy.

In addition to the information normally required on the Standard Form 50 (or its equivalent) by the nature of the personnel action, agencies will:

- Under "Nature of Action", add "RETO". This will identify the appointee as a retired officer;

- Under "Remarks", add the retired officer's service number;

- When the accession is into a position excepted under section 201(e) from the reduction-in-retired-pay provisions, state this fact under "Remarks". Suitable language would be, "POSITION EXCEPTED UNDER AUTHORITY OF 201(e) of P. L. 88-448".

Temporary, Part-time, and Intermittent Appointments

As already indicated, the act excepts from reduction in retired pay the first thirty days for which salary is received when a retired officer is employed on a temporary, part-time, or intermittent basis. Moreover, for retired officers employed on a part-time or intermittent basis, retired pay is subject to reduction only on days for which salary is received.

For the purposes of the Dual Compensation Act, temporary, part-time, and intermittent have the following meanings: "temporary" means appointments limited to one year or less; "part-time" means employment

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on less than a full-time basis under a prescheduled regular tour of duty; and "intermittent" means employment on less than a full-time basis with no prescheduled regular tour of duty.

Individual Requests

Finance centers may find it necessary to ask agencies for information about individual employees. As an example, a finance center may ask an agency to certify to the days of the month a retired officer received salary. Information should be provided in the form requested.

Nicholas J. Oganovic

Nicholas J. Oganovic
Acting Executive Director

Attachment

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FINANCE CENTERS OF THE SEVEN UNIFORMED SERVICES

ARMY.....Commanding General
Finance Center, U. S. Army
Attn: Chief, Retired Pay Division
Indianapolis, Indiana 46249

NAVY.....Commanding Officer
Retired Pay Department
U. S. Navy Finance Center
Cleveland, Ohio 44114

MARINE CORPS.....Commandant of the Marine Corps (CDH)
Headquarters, Marine Corps
Washington, D. C. 20380

AIR FORCE.....Air Force Accounting and Finance Center
Directorate of Allotment of Retired Pay
3800 York Street
Denver, Colorado 80205

COAST GUARD.....Commandant (FP-4)
U. S. Coast Guard Headquarters
Washington, D. C. 20226 20590

COAST AND GEODETIC SURVEY.....U. S. Coast and Geodetic Survey
Chief Officer, Personnel
Attn: C-5
Department of Commerce
Washington, D. C. 20230

PUBLIC HEALTH SERVICE.....Commissioned Officers' Pay Unit
Central Payroll Division (DHEW)
Post Office Box 1620
Washington, D. C. 20013

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SECRET

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DDA 77-0798

11 February 1977

MEMORANDUM FOR: Admiral Stansfield Turner

FROM : John F. Blake
Deputy Director for Administration

Sir:

This memorandum forwards to you the information desired on personnel matters as called to our attention by Commander [redacted] on Thursday, 10 February 1977. 25X1A

/s/ John F. Blake
John F. Blake

Att

Distribution:
Orig - Admiral Turner w/atts [redacted] 25X1A
1 - DDA Subject w/att & background (DDA 77-0799)
Memo to DD's fr [redacted] dtd 2/10/77 25X1A
1 - DDA Chrono w/o att or background
1 - JFB Chrono w/o att
DDA:JFBlake:der (11 Feb 1977)
1 - [redacted] O/Compt) via [redacted] 25X1A 25X1A

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CONFIDENTIAL

QUESTION FOR DIRECTOR OF ADMINISTRATION

1. I would like to get some gross statistics and data on our people:

a. Total number.

b. Total number by pay grade.

c. Total number in Washington.

d. Total number elsewhere in the United States.

e. Total number overseas.

2. For our career employees, what is the normal retirement procedure?

a. Length of service and qualifications for retirement.

b. How many retired CIA employees are presently re-employed?

c. How many of those re-employed are employed as full-time consultants?

d. As part-time consultants?

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Enclosure (2)

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QUESTION 2 AND 22
NORMAL RETIREMENT PROCEDURES AND QUALIFICATIONS

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QUESTION 2 AND 2a - NORMAL RETIREMENT PROCEDURES AND QUALIFICATIONS

Most career employees are covered by the Civil Service Retirement Act, the Government-wide retirement system. A smaller number are entitled to the benefits of the CIA Retirement and Disability System (CIARDS), which provides a slightly higher annuity.

1. Civil Service Retirement System

a. The Agency encourages employees to retire upon reaching age 60; Agency policy requires retirement at age 65.

b. To assist employees in preparing for retirement, the Agency has a comprehensive pre-retirement counseling program which includes counseling sessions years in advance of the date of retirement, retirement seminars and the like.

c. Eligibility for Retirement - Optional (Voluntary):

(1) age 55 and 30 years creditable service, including five years of civilian service; or

(2) age 60 and 20 years of creditable service, including five years of civilian service; or

(3) age 62 and five years of civilian service.

(4) Additionally, the individual must have been employed under the retirement system for at least one year within the two-year period immediately preceding the separation on which the annuity is based.

d. Eligibility for Retirement - Discontinued Service (Involuntary);

(1) age 50 and 20 years of creditable service, including five years of civilian service; or

(2) regardless of age, completion of 25 years of creditable service, including five years of civilian service.

(3) Annuity is reduced by two percent for each year the individual is under age 55.

(4) Additionally, the one-out-of-two years of service requirement applies.

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e. Eligibility for Retirement - Disability:

(1) upon completion of at least five years of civilian service;

(2) while subject to the Civil Service Retirement System have become totally disabled for useful and efficient service in the position occupied or any other position of the same grade or class.

(3) the disease or injury which caused the disability must not be the result of vicious habits, intemperance, or willful misconduct on the employee's part within the five-year period immediately prior to becoming disabled.

(4) No reduction in annuity for years under age 55.

(5) Additionally, the eligibility requirement involving the one-out-of two year rule does not apply to disability applicants.

2. CIA Retirement and Disability System:

a. To benefit from this preferential retirement system, employees must have at least 60 months of qualifying service defined as performance of duty as an Agency employee:

(1) when assigned either PCS or TDY to any place outside the 50 United States and the District of Columbia; or

(2) which requires a substantial risk to the life or health of the employee; or

(3) which requires the continued practice of tradecraft under conditions of most stringent security for the purpose of maintaining personal cover in support of Agency activities; or

(4) which, when retirement is imminent, is adjudged to have been so sensitive or so specialized that security requirements forbid disclosure of this duty and that, as a result, it is unlikely the employee will be able to obtain employment for which he is otherwise qualified.

b. A Retirement Board of senior Agency personnel reviews requests submitted by Agency employees for admission to the System based on service performed domestically to ensure strict adherence to the above criteria.

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c. Eligibility for Retirement - Mandatory:

(1) Participants below grade GS-18 are required by law to retire upon reaching age 60.

(2) Participants grade GS-18 and above are also encouraged to retire at age 60 but are required by law to retire upon reaching age 65.

d. Eligibility for Retirement - Voluntary:

Any participant who is at least age 50 and who has 20 years of Federal service, 10 years of Agency service, and 60 months of qualifying service may, with the consent of the Director, be retired.

e. Eligibility for Retirement - Involuntary:

The Director may retire any participant involuntarily if the participant has completed at least 25 years of Federal service or who is at least age 50 and has completed 20 years of service. In either event, the participant must have at least 10 years of Agency service and 60 months of qualifying service.

f. Eligibility for Retirement - Disability:

A participant who becomes totally disabled or incapacitated for useful and efficient service by reason of disease, illness or injury not due to vicious habits, intemperance, or willful misconduct on his part may apply for retirement. Applications are reviewed by an Agency Board of Medical Examiners which makes appropriate recommendations to the Director of Personnel.

Unlike retirement under the Civil Service Retirement Act, which is administered by the Civil Service Commission, all aspects of the CIA Retirement and Disability System are handled within the Agency.

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QUESTIONS 2b, c and d re
REEMPLOYED CIA EMPLOYEES

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STATSPEC

2b. Two hundred and five retired CIA employees are presently reemployed as contract employees, independent contractors and consultants. (Includes 38

[redacted]

2c. Of those reemployed, two are full-time consultants.

2d. Of those reemployed, seven are part-time consultants.

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